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Book review

Accounting, Capitalism and the Revealed Religions - A Study of Christianity, Judaism and Islam,

by Vassili Joannidès de Lautour

Springer International Publishing, Switzerland, 2017, 174 pp., \$129 (paperback), ISBN 978-3-319-32332-9 (paperback).

I was delighted when the Book Reviews Editor of the EEA asked me to read this recently published book about accounting and religion. This area of research is related to the topics covered by an article I recently published in the *Journal of Management, Spirituality and Religion* for which I had read extensively in the area. Therefore, I was motivated to discover whether this book would present a different perspective to me.

The book under review represents the conclusion of a comprehensive research project that involved a triple master's degree in Social Sciences, Accounting & Finance and Education, and a PhD on accountability in a church setting. It addresses a very interesting and relevant topic. The author underlines the established connections between capitalism and accounting, but highlights that the core interest of the book lies in exploring connections between accounting and religion. It assumes that each of the four relevant monotheistic religions (Roman Catholicism, Judaism, Protestantism and Islam) has contributed to the spirit of capitalism and to the development of accounting.

The need for understanding the notions of accounting, accountability and religion and the intersection between these concepts is very important, not only from an historical view point, but also in a contemporary perspective.

In the introduction, the book's key constructs are defined (accounting and accountability, and religion). While accountability is perceived as the giving and demanding of reasons for conduct, using any form of accounts, accounting is understood in its simplest form, as a process driven by a worldview. This results in categorising any situation in two ways, always equaling each other (double-entry bookkeeping and balancing of debits and credits). As Lautour states, accounting is assumed broadly as the logic of categorising conduct as liabilities (credit) and actions (debit). However, it cannot be understood regardless of the goal which it pursues: accountability to a Higher-Principal. The book expresses the view that, in order to approach accounting's very essence and ontology, it is necessary to depart from mere economic transactions and rather, focus on the meaning of giving an account.

The definitions of religion presented in the book lie at the crossroads of sociology, anthropology and philosophy. First, religion appears as an individual encounter with the holy: embracing of religion consists of an intimate, personal and subjective experience of the divine. In a second perspective,

religion is viewed as a social community, representing the moral community constructed by all believers of the same faith, lay people, parishioners or churchgoers. As a social community, religion represents its degree of institutionalisation and its spatial scope. The book offers a third perspective: religion as doctrines. Under this perspective, an institutional religion relies on a religious elite who, throughout a religious system, offers a collective codification of beliefs to the community (it codifies what is appropriate and what is not, as well good and evil, holy and blasphemy, etc.).

While Lautour offers the reader a threefold concept of religion, he does not distinguish between religion and religiosity as theoretical constructs. In my view, he should have done this in the introduction of the book. As reported by Learmans (2006), Georg Simmel, a German sociologist (1858-1918), in his “sociological impressionism”, established a separation between religion and religiosity. In Simmel’s view, while religiosity involves a specific but comparable way of being, of relating to the world (to reality), in general, and to the social world (to others), in particular, the notion of religion refers to the outcome of a process of separation and institutionalisation that goes hand in hand with the purification of an always already existing religiosity (Learmans, 2006). As Dobbelaere (2014) and Weaver and Agle (2002) argue, religiosity of the people corresponds to their practices, beliefs and ethical views. Overall, it provides specific ethical guidelines, emphasises the general importance of ethical behavior, and establishes “common knowledge” for understanding whether experiences are ethical.

The book succeeds with the second chapter, which explores the roots of capitalism and focuses on how Judaism, Roman Catholicism, Protestantism and Islam fostered a form of capitalism. This link is necessary to help the reader, in the third chapter, easily understand how accounting is grounded in religion. While accounting is presented as a way of keeping records of capitalist operations, it is argued that books of accounts serve as a moral practice within capitalism. In this sense, as a moral device, accounting is argued to be influenced by religious thought underpinned by faith. Chapter three introduces the reader to an understanding of how each of the four main religions defines and constructs an accounting spirituality, encouraging believers to keep metaphoric accounts of their faithful conduct. It shows how the four religion’s authorities developed a specific accounting theology and spirituality.

Building on the philosophy of religions, the fourth chapter provides knowledge on what the four main religions can teach us about the nature of accounting. Interestingly, Lautour concludes that, while the four main religions highlight a different dimension of accounting, they also have key points in common. In Roman Catholicism the institutionalisation of sacramental accounting serves to guide believers’ conduct. Judaism and Roman Catholicism reveal the notion of biographic accounts based on balanced double-entry records. Islam emphasises two major issues in double-entry bookkeeping: first, everything has a counterpart, which the accountant must identify; and, second, a counterpart is contingent upon the context in which it is found. Judaism and Islam highlight that accounting for how duties ordered by the Lord are performed influences believers’ day-to day conduct. In Roman Catholicism and Islam, books of accounts are kept by external bodies, and, in Judaism, Roman Catholicism and Islam, keeping of accounts implies reconciliation, verification and certification. Finally,

Protestantism reveals the contents of contemporary debates about accounting objectivity/subjectivity and the role of criticism. It emphasises the impossibility of objective and true measurements and evaluation models, which highlights the assumptions made by accountants, where criticism appears as a positive quality for the accounting profession.

Chapter four was, for me, the most interesting part of the book, because it presents a different perspective from the literature on accounting and religion that I have read in the past. The books and articles that I have read focus on religion and its relation with accounting in a broader sense – considering religion (and religiosity) as a social mechanism for influencing beliefs and behaviors. From the third, but especially from the fourth chapter of Lautour's book, I took a different perspective. I became able to understand what each of the four relevant monotheistic religions contributes to the nature of accounting. As Lautour highlights, within the four main religions, a form of accounting exists which differs from one belief system to another. What is central to the four religions, and crucial to accounting, is how world dualism is solved in different contexts and why solutions may differ from one context to another. Notwithstanding differences, the four religions demonstrate the construction of a logical whole, and how accounting starts to be systematic. They all sought to develop double-entry bookkeeping as a moralising practice.

In the fifth chapter, Lautour presents a literature review on accounting and religion. From this chapter, the reader obtains a perspective on the evolution of the research questions in the area, and how researchers' personal views of religion can affect their research relating to accounting and religion. Lautour argues that two types of research are representative for contemporary accounting research discussion: 1) accounting practices in a certain congregation, and 2) theological perspectives on accounting. While I agree that these two types of research are very interesting topics, I disagree with Lautour's argumentation that these are the most representative of contemporary accounting research.

There is a growing stream of relevant contemporary accounting research not considered by Lautour's book. I refer to a body of archival accounting research, mainly from U.S. and China, that has explored the association between local religion (and religiosity) and corporate decisions (Boone, Khurana, & Raman, 2013; Callen, Morel, & Richardson, 2011; Chen, Hu, Liang, & Xin, 2013; Du, 2013; Du, 2014; Du, Jian, Du, Feng, & Zeng, 2014; Du, Jian, Zeng, & Du, 2014; Du, Jian, Lai, Du, & Pei, 2015; Dyreng, Mayew, & Williams, 2012; El Ghouli, Guedhami, Ni, Pittman, & Saadi, 2012; Hilary & Hui, 2009; McGuire, Omer, & Sharp, 2012). Generally, this line of research reveals significant evidence that the behavior of individuals and, by extension, corporate behavior, is shaped by the religiosity levels of the community in which an individual/firm is located. The approach used by this line of research considers a religion-based social identity and sense of belonging and its effects on individuals and organisations behavior.

The last chapter of the book presents a study that addresses the construction of accounting spirituality and the practice of faith-based double-entry bookkeeping - the Salvation Army case. Lautour concludes that, in the Salvation Army, accountability leads to managerial accounting spirituality.

This is an interesting book that explores a very important topic for contemporary accounting research. It demonstrates that accounting and capitalism have religious roots, and highlights how the four main monotheistic religions viewed and incorporated accounting historically. This book can be used in the PhD curriculum, but I think that it is too challenging to be included in the master-level curriculum. The book is also highly recommended for faculty members and other researchers interested in exploring accounting and religion issues. It provides a timely and highly relevant contribution to reflection and debate about religion and its organisational accountabilities.

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